

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 60th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON TAXATION**

**Call to Order:** By Chairman Bob Lake, on March 27, 2007 at 8:00 A.M., in Room 152 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Bob Lake, Chairman (R)  
Rep. Jill Cohenour, Vice Chairman (D)  
Rep. Jon Sonju, Vice Chairman (R)  
Rep. Norma Bixby (D)  
Rep. Mark Blasdel (R)  
Rep. Edward B. Butcher (R)  
Rep. Ron Erickson (D)  
Rep. Wanda Grinde (D)  
Rep. Robin Hamilton (D)  
Rep. Edward Hilbert (R)  
Rep. Mike Jopek (D)  
Rep. Carol Lambert (R)  
Rep. Gary MacLaren (R)  
Rep. Dave McAlpin (D)  
Rep. Bill Nooney (R)  
Rep. JP Pomnichowski (D)  
Rep. John (Jack) W. Ross (R)  
Rep. Chas Vincent (R)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Jeff Martin, Legislative Branch  
Debra Polhemus, Committee Secretary

**Audio Committees:** These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

**Committee Business Summary:**

Hearing & Date Posted: HB 826, 3/19/2007; HB 832,  
3/19/2007; HB 834, 3/15/2007  
Executive Action: SB 161; HB 488; HB 823; HB 680  
HB 826; HB 801; HB 463

**HEARING ON HB 832**

**Opening Statement by Sponsor:**

00:02:36 Rep. Jon Sesso (D), HD 76, opened the hearing on HB 832, Revise tax increment financing laws - targeted economic development.

**EXHIBIT (tah65a01)**

**Proponents' Testimony:**

00:11:11 Evan Barrett, Governor's Office of Economic Development  
00:15:29 Russ Cannole, Economic Development Director, Butte Silverbow County  
00:16:20 Karen Byrnes, Director, Urban Revitalization Agency, Butte

**EXHIBIT (tah65a02)**

00:17:02 J.D. Lynch, representing Butte Silverbow County  
00:17:20 Linda Stoll, representing The Montana Association of Planners also speaking for Janet Cornish, Treasurer, The Montana Association of Planners

**EXHIBIT (tah65a03)**

00:21:36 Greg Krueger, Executive Director, Downtown Billings Partnership  
00:25:04 Bruce McCandless, Deputy City Administrator, City of Billings  
00:28:33 Alec Hanson, League of Cities and Towns  
00:33:37 Chris Behan, Missoula Redevelopment Agency

**Opponents' Testimony:**

00:37:23 Charles Brooks, representing Billings Area Chamber of Commerce  
00:41:56 Willy Duffield, Executive Director, Montana Association of Oil and Gas Producing Counties

**Informational Testimony:**

00:42:35 Frank Crowley, Attorney, Helena, speaking for Albert R. Batterman, Fallon County Attorney and Fallon County Commissioners

**EXHIBIT (tah65a04)**

00:47:56 Mae Nan Ellingson, Attorney, Dorsey & Whitney Law Firm, Missoula

00:48:35 Debbie Jurcich, Department of Revenue

**Questions from Committee Members and Responses:**

00:49:15 Rep. Lambert  
00:50:00 Rep. Sesso  
00:51:21 Rep. Lambert  
00:51:38 Rep. Sesso  
00:52:24 Rep. Lambert  
00:52:54 Rep. Sesso  
00:53:33 Rep. Erickson  
00:54:07 Rep. Sesso  
00:55:10 Rep. Hilbert  
00:55:42 Rep. Sesso  
00:59:05 Rep. Nooney  
00:59:49 Rep. Sesso  
01:02:42 Rep. Pomnichowski  
01:03:45 Rep. Sesso  
01:06:15 Rep. Pomnichowski  
01:06:41 Rep. Sesso  
01:07:30 Rep. Pomnichowski  
01:07:59 Debbie Jurcich  
01:08:08 Evan Barrett  
01:10:56 Rep. Vincent  
01:11:15 Debbie Jurcich  
01:11:54 Evan Barrett  
01:15:13 Rep. Butcher  
01:19:02 Rep. Erickson  
01:19:40 Mae Nan Ellingson  
01:22:19 Rep. MacLaren  
01:22:54 Mae Nan Ellingson  
01:25:47 Rep. Hilbert  
01:26:09 Evan Barrett  
01:26:44 Chairman Lake  
01:27:14 Debbie Jurcich

**Closing by Sponsor:**

01:28:20 Rep. Jon Sesso

**HEARING ON HB 826**

**Opening Statement by Sponsor:**

01:33:31 Rep. Bill McChesney (D), HD 40, opened the hearing on  
HB 826, Study protested taxes.

**Proponents' Testimony:**

01:35:23 John Fitzpatrick, representing Northwestern Energy

**EXHIBIT** (tah65a05)

01:42:55 Ronda Wiggers, speaking for County Treasurers

01:47:17 Sheryl Wood, Associate Director, Montana Association of  
Counties

01:47:48 Mary Whittinghill, Montana Taxpayers Association

01:49:45 Willie Duffield, Executive Director, Montana  
Association of Oil and Gas Producing Counties

**Opponents' Testimony:**

01:50:40 Dan Bucks, Director, Department of Revenue

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

02:02:46 Rep. Jopek

02:03:25 Ronda Wiggers

02:05:25 Rep. Jopek

02:07:24 Rep. Sonju

02:09:00 Dan Bucks

02:11:10 Rep. Sonju

02:11:54 Dan Bucks

02:13:41 Rep. McAlpin

02:14:10 Ronda Wiggers

02:14:41 Rep. Cohenour

02:16:33 Dan Bucks

02:20:21 Rep. Ross

02:20:56 Dan Bucks

02:22:51 Rep. Vincent

02:23:43 Ronda Wiggers

**Closing by Sponsor:**

02:24:33 Rep. Bill McChesney

02:27:02 Break

02:38:11 Reconvene

**HEARING ON HB 834**

**Opening Statement by Sponsor:**

02:38:25 Rep. Jill Cohenour (D), HD 78, opened the hearing on HB 834, Decouple state income tax from certain federal provisions.

**Proponents' Testimony:** None

**Opponents' Testimony:**

02:42:42 Holly Franz, representing Montana Society of CPA's, the Montana Taxpayers Association and Montana Chambers of Commerce

**Informational Testimony:**

02:46:28 Brenda Gilmer, Department of Revenue

**Questions from Committee Members and Responses:**

02:46:43 Rep. Erickson  
02:47:30 Brenda Gilmer  
02:49:23 Rep. Erickson  
02:50:04 Rep. Cohenour

**Closing by Sponsor:**

02:52:42 Rep. Jill Cohenour

**EXECUTIVE ACTION ON HB 826**

02:55:29 **Motion:** Rep. Sonju moved that **HB 826 DO PASS.**

02:55:35 **Motion:** Rep. Sonju moved that **HB 826 BE AMENDED WITH A CONCEPTUAL AMENDMENT.**

**Discussion:**

02:55:54 Jeff Martin  
02:56:04 Chairman Lake

02:56:18 Without objection, Rep. Sonju withdrew the motion that **HB 826 BE AMENDED.**

**Discussion:**

02:56:31 Rep. Cohenour  
 02:59:11 Chairman Lake  
 02:59:20 Rep. Butcher  
 03:01:15 Rep. Sonju  
 03:02:06 Rep. Ross  
 03:03:02 Rep. MacLaren  
 03:03:39 Rep. Jopek

03:05:59 **Vote:** **MOTION CARRIED** 10-8 by roll call vote with Reps. Bixby, Cohenour, Erickson, Grinde, Hamilton, Jopek, McAlpin, and Pomnichowski voting no.

**EXECUTIVE ACTION ON HB 463**

03:07:25 **Motion:** Rep. Cohenour moved that **HB 463 BE RECONSIDERED. MOTION CARRIED** unanimously by voice vote.

03:08:01 **Motion:** Rep. Cohenour moved that **HB 463 DO PASS.**

03:08:30 **Motion:** Rep. Cohenour moved that **HB 463 BE AMENDED. EXHIBIT(tah65a06)**

**Discussion:**

03:08:42 Jeff Martin

03:09:10 **Vote:** **MOTION CARRIED** unanimously by voice vote.

03:09:27 **Motion:** Rep. Cohenour moved that **HB 463 DO PASS AS AMENDED.**

03:09:47 **Motion:** Rep. Cohenour moved that **HB 463 BE AMENDED. EXHIBIT(tah65a07)**

**Discussion:**

03:09:59 Jeff Martin

03:15:05 **Vote:** **MOTION CARRIED** unanimously by voice vote.

03:15:26 Rep. Cohenour moved that **HB 463 DO PASS AS AMENDED.**

03:15:44 Rep. Cohenour moved that **HB 463 BE AMENDED. EXHIBIT(tah65a08)**

**Discussion:**

03:15:56 Jeff Martin  
03:17:24 Rep. MacLaren  
03:17:40 Jeff Martin

03:19:08 **Vote:** **MOTION CARRIED** unanimously by voice vote.

03:19:26 Rep. Cohenour moved that **HB 463 DO PASS AS AMENDED.**

03:20:08 **Motion:** Rep. Sonju moved that **HB 463 BE AMENDED. EXHIBIT (tah65a09)**

**Discussion:**

03:20:30 Jeff Martin  
03:20:58 Chairman Lake

03:21:19 **Vote:** **MOTION CARRIED** 10-8 by roll call vote with Reps. Bixby, Cohenour, Erickson, Grinde, Hamilton, Jopek, McAlpin, and Pomnichowski voting no.

03:22:09 **Motion:** Rep. Cohenour moved that **HB 463 DO PASS AS AMENDED.**

**Discussion:**

03:22:28 Jeff Martin  
03:24:40 Rep. Cohenour  
03:24:54 Jeff Martin  
03:25:02 Rep. Jopek  
03:25:52 Jeff Martin  
03:26:18 Rep. Jopek  
03:26:33 Jeff Martin  
03:27:14 Rep. Jopek  
03:28:11 Jeff Martin

03:28:50 **Vote:** **MOTION CARRIED** 15-3 by roll call vote with Reps. Bixby, Erickson, and Jopek voting no.

**EXECUTIVE ACTION ON HB 680**

03:29:52 **Motion:** Rep. Cohenour moved that **HB 680 DO PASS.**

**Discussion:**

03:30:10 Rep. Cohenour

03:30:52 **Vote:** **MOTION CARRIED** 17-1 by voice vote with Rep. Sonju voting no.

**CONTINUED EXECUTIVE ACTION ON HB 801**

03:31:38 **Motion:** Rep. MacLaren moved that **HB 801 DO PASS AS AMENDED**. (Previous executive action: March 27, 2007)

**Discussion:**

03:32:04 Jeff Martin

03:32:30 **Motion/Vote:** Rep. MacLaren moved to **RECONSIDER THE ACTION OF ADDING THE AMENDMENT TO HB 801**. (March 27, 2007) **MOTION CARRIED** unanimously by voice vote.

03:33:36 **Motion/Vote:** Rep. Cohenour moved to **REMOVE THE AMENDMENT PREVIOUSLY PLACED ON HB 801**. **MOTION CARRIED** unanimously by voice vote.

03:34:48 **Motion:** Rep. MacLaren moved that **HB 801 DO PASS**.

03:34:59 **Motion:** Rep. Ross moved that **HB 801 BE AMENDED**. **EXHIBIT**(tah65a10)

**Discussion:**

03:35:28 Rep. Ross

03:36:09 Rep. Jopek

03:36:22 Jeff Martin

03:37:08 Rep. Cohenour

03:37:22 Rep. MacLaren

03:37:54 Rep. Ross

03:38:27 Rep. Butcher

03:39:04 Chairman Lake

03:39:10 Rep. MacLaren

03:39:20 Rep. Butcher

03:40:14 **Vote:** **MOTION FAILED** 5-13 by roll call vote with Reps. Blasdel, Lake, Ross, Sonju, and Vincent voting aye.

**Discussion:**

03:41:28 Rep. Cohenour

03:42:04 Rep. Butcher

03:42:14 Chairman Lake

03:42:27 Jeff Martin

03:42:52 Rep. Cohenour

03:43:13 Chairman Lake



03:43:29 **Motion:** Rep. MacLaren moved that **HB 801 BE AMENDED.**  
**EXHIBIT**(tah65a11)

**Discussion:**

03:44:39 Jeff Martin

03:47:11 **Vote:** **MOTION CARRIED** unanimously by voice vote.

03:47:33 **Motion:** Rep. MacLaren moved that **HB 801 DO PASS AS AMENDED.**

**Discussion:**

03:47:48 Chairman Lake

03:48:06 Rep. MacLaren

03:48:33 Rep. Sonju

03:48:39 Rep. Ross

03:49:28 **Motion:** Rep. Ross moved that **HB 801 BE AMENDED WITH A CONCEPTUAL AMENDMENT.**

**Discussion:**

03:49:38 Rep. Jopek

03:49:44 Rep. Ross

03:50:02 Rep. Jopek

03:50:23 Rep. MacLaren

03:51:21 Rep. Ross

03:51:53 Rep. Hamilton

03:52:31 **Vote:** **MOTION FAILED** 5-13 by roll call vote with Reps. Blasdel, Hilbert, Ross, Sonju, and Vincent voting aye.

03:53:48 **Vote:** **MOTION CARRIED** 12-6 by roll call vote with Reps. Blasdel, Hilbert, Lake, Ross, Sonju, and Vincent voting no.

**EXECUTIVE ACTION ON HB 823**

03:55:09 **Motion:** Rep. Sonju moved that **HB 823 DO PASS.**

**Discussion:**

03:55:27 Rep. Sonju

03:56:25 Rep. Lambert

03:56:45 Chairman Lake

03:57:14 Rep. Erickson

03:57:40 Chairman Lake

03:57:51 **Vote:** **MOTION CARRIED** 17-1 by voice vote with Rep. Ross voting no.

**EXECUTIVE ACTION ON SB 161**

03:58:51 **Motion:** Rep. McAlpin moved that **SB 161 BE CONCURRED IN.**

03:59:34 **Motion/Vote:** Rep. Sonju moved that **SB 161 BE AMENDED. MOTION CARRIED** 13-5 by voice vote with Reps. McAlpin, Cohenour and Erickson voting no.

**EXHIBIT** (tah65a12)

04:00:55 **Motion:** Rep. McAlpin moved that **SB 161 BE CONCURRED IN AS AMENDED.**

**Discussion:**

04:01:03 Rep. Sonju  
04:01:23 Rep. Cohenour  
04:02:13 Rep. Sonju  
04:02:35 Chairman Lake  
04:03:04 Rep. Ross  
04:03:26 Rep. Butcher

04:03:56 **Vote:** **MOTION CARRIED** 13-5 by roll call vote with Reps. Blasdel, Butcher, Hilbert, Sonju, and Vincent voting no. Rep. Lake will carry SB 161.

**EXECUTIVE ACTION ON HB 488**

04:06:31 **Motion:** Rep. Jopek moved that **HB 488 DO PASS.**

**Discussion:**

04:06:47 Rep. Jopek  
04:07:37 Chairman Lake  
04:07:57 Rep. Butcher  
04:08:10 Rep. Erickson  
04:08:33 Rep. Cohenour  
04:09:15 Rep. MacLaren  
04:09:34 Rep. Cohenour  
04:09:54 Rep. Lambert  
04:10:28 Rep. Ross  
04:10:55 Rep. Jopek

04:13:18 **Vote:** **MOTION CARRIED** 10-8 by roll call vote with Reps. Blasdel, Butcher, Hilbert, Lake, Nooney, Ross, Sonju, and Vincent voting no.

**Additional Exhibits:**

**EXHIBIT(tah65a13)**

Pertaining to SB 332 heard in Committee on March 20, 2007

**EXHIBIT(tah65a14)**

Pertaining to SB 284 heard in Committee on March 22, 2007

**EXHIBIT(tah65a15)**

Pertaining to HB 832 heard in Committee on March 27, 2007

**ADJOURNMENT**

Adjournment: 12:20 P.M.

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REP. BOB LAKE, Chairman

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DEBRA POLHEMUS, Secretary

BL/dp

Additional Exhibits:

**EXHIBIT ([tah65aad.pdf](#))**